



MOPAN COMMON APPROACH

**United Nations
Development
Program (UNDP)
2009**

February 19, 2010

Executive Summary

Background

The UNDP in 2009

- “ Recognised for its strong delegation of authority to the country level
- “ Recent changes to corporate systems are not yet perceived by respondents
- “ Use of country systems is an ongoing concern

The MOPAN Common Approach assesses the organisational effectiveness of multilateral institutions based on the perceptions of MOPAN members and direct partners of these organisations. It is an exercise developed by a group of donor countries in order to contribute to improved performance of multilateral organisations.¹

In an ideal world, the effectiveness of multilateral organisations would be assessed by their contributions to the results achieved by developing countries. While many multilaterals are improving their results frameworks and data-gathering systems, these are not yet developed enough across organisations to be used as the basis of a systematic effectiveness assessment. As a proxy, the MOPAN Common Approach therefore measures the effectiveness of multilateral organisations by seeking perceptions of respondents on behaviours, systems and processes that should enable these organisations to contribute to the achievement of development results at a country level.²

The MOPAN Common Approach is the successor to the Annual MOPAN Survey, conducted annually since 2003; however, it is broader and deeper than the previous surveys. It brings in the views of national partners of multilateral organisations and those of multilateral donors, that is, MOPAN members at both headquarters and country level.³ The MOPAN Common Approach takes a more systematic look at organisational effectiveness and is organised around the widely recognised balanced scorecard approach that examines four dimensions of organisational effectiveness: strategic management, operational management, relationship management, and knowledge management.⁴ Within each of these dimensions or quadrants, the MOPAN Common Approach has developed key performance indicators (KPIs) of organisational effectiveness, and micro-indicators (MIs) that specify the measurement criteria for the KPIs.

The MOPAN Common Approach is intended to generate relevant and credible information to assist MOPAN members in meeting domestic accountability requirements and to support dialogue between MOPAN members, multilateral organisations and their direct partners, with a specific

¹ MOPAN is an informal network of 15 donor countries. In 2009, members include Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, The Netherlands, Norway, The Republic of Korea, Spain, Sweden, Switzerland and the United Kingdom. For more information on MOPAN, please visit www.mopanonline.org.

² Whether or not a multilateral organisation does in fact contribute to the achievement of development results, will also depend on whether or not it is addressing the right development issues, with the right instruments, and at an appropriate scale, given the country context in which it operates.

³ The terms “donors” and “MOPAN members” are used interchangeably in this report and refer only to the respondents in this assessment.

⁴ Organisational effectiveness is defined by MOPAN as “being organised to support clients/partners to produce and deliver expected results.”

focus on improving organisational learning and effectiveness over time. The Common Approach complements other ongoing assessment processes such as the bi-annual Organisation for Economic Co-operation and Development (OECD-DAC) Survey on Monitoring the Paris Declaration and the annual reports of the Common Performance Assessment System (COMPAS) by the Multilateral Development Banks (MDBs).

In 2009, the United Nations Development Program (UNDP) was assessed at an institutional level and across nine countries: Ethiopia, Guatemala, Mozambique, Pakistan, Peru, Senegal, Serbia, Thailand and Uganda. Two of these countries – Mozambique and Pakistan – participate in the UN Delivering as One (DAO) pilots.

The assessment draws on the perceptions of three groups of respondents: MOPAN members in-country and at headquarters, as well as direct partners (both government and NGOs) of the multilateral organisation. These were collected through a stakeholder survey that was conducted primarily online, although a small proportion of direct partners completed it via face-to-face interviews for practical reasons. A total of 250 respondents participated in the survey on the UNDP.

Main Findings

The UNDP continues to be recognised for the role that it plays in development aid architecture at the country level: its role in coordinating government and other UN agencies is cited by several respondents as its greatest organisational strength. In this year's assessment, this perception is also reflected in the importance given to the UNDP's decentralised decision making and its contributions to policy dialogues. Responses confirm several factors that have posed challenges to the UNDP over the years: the perceived breadth of its mandate, on the one hand, and perceptions of a high level of bureaucracy in the organisation. This assessment also finds that the UNDP can do better in many aspects of its relationship management at the country level.

Many respondents to this year's survey acknowledge the UNDP's global presence and operational experience in development practice, yet their assessment reflects a need for the UNDP to improve its dissemination of lessons learned from this experience.

In recent years, the UNDP has engaged in significant organisational efforts to bring a higher level of coherence, focus, accountability and transparency to all of its processes. The findings of the MOPAN Common Approach provide some evidence of how it is perceived to be progressing in these areas.

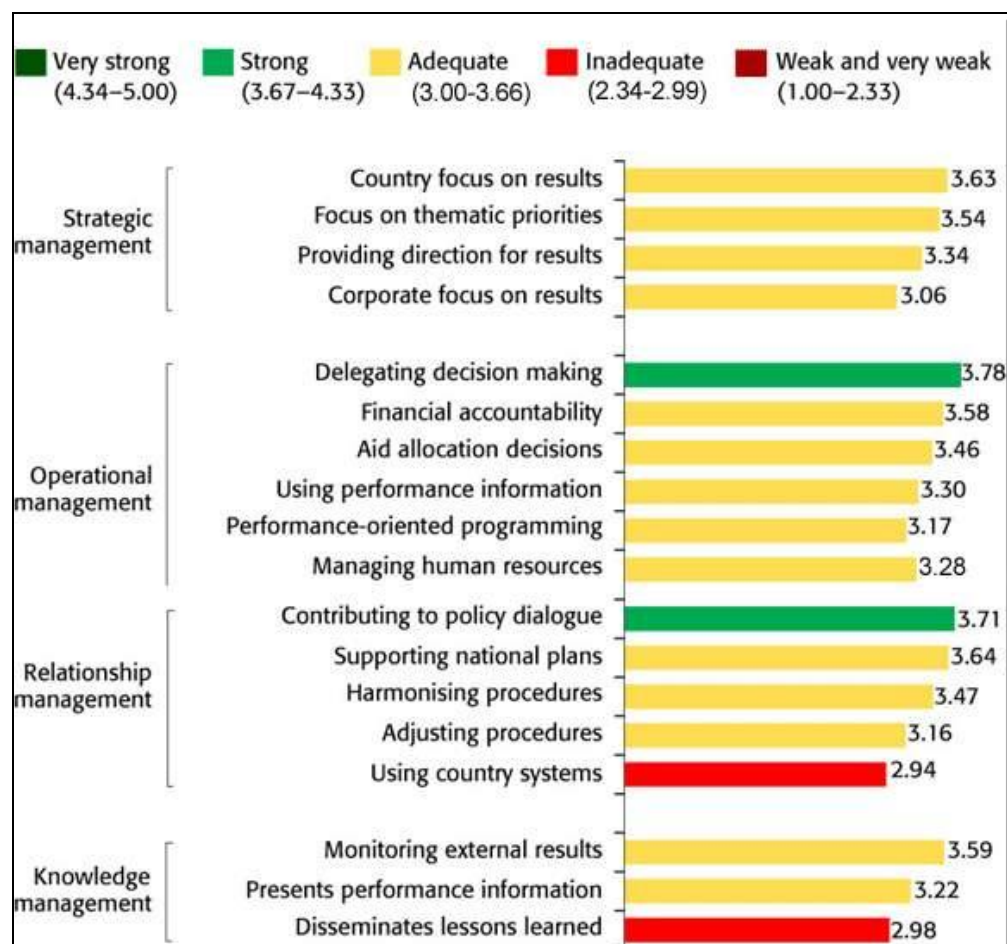
“UNDP, despite having a weak legacy, is, at strategic management level, making major efforts to modernise, and make more robust its performance criteria. Criticisms should be seen as an effort to encourage this direction.” (Donor at headquarters)

Overall, the UNDP is seen to perform adequately on 14 out of the 18 indicators assessed. It is seen to perform strongly on two, and inadequately on two indicators. The following chart provides the mean scores calculated for each of the 18 performance indicators based on ratings given by the total group of respondents. In general, partners have more favourable views than donors on the UNDP's performance in these areas.

There are few notable differences observed in the ratings of UNDP performance given by respondents in DAO countries (Mozambique and

Pakistan) compared to other countries. The exception is that respondents in DAO countries are less likely to believe that the UNDP uses project implementation units (PIU) that operate in parallel to government.⁵

Performance across all indicators (mean scores, all respondents)



⁵ Results of Mann-Whitney U test (alpha = 0.05) in UNDP performance on micro-indicators in the DAO countries (Mozambique and Pakistan) and other countries. It should be noted that this test identifies differences between groups but does not establish the cause of those differences: the difference found may or may not be due to the DAO pilot.

Strategic Management

UNDP's Strategic Management

- ~ High ratings: Country program documents, including results frameworks; focus on certain thematic priorities, notably good governance
- ~ Low ratings: Strategy that is based on clear mandate; ensuring application of results management across organisation
- ~ Mixed ratings: Fostering a culture of results viewed as inadequate by donors, and as a strength by partners

The UNDP is viewed to perform adequately on all aspects of Strategic Management.

The UNDP's country program documents, including results frameworks, are rated highly at country level. National partners rate the UNDP strongly on all aspects of its process of developing expected results through its country program documents; donors rate it as adequate. Its country program documents are perceived to align with national strategies and incorporate cross-cutting themes.

The UNDP's strategic focus on good governance is considered to be a strength. Its focus on gender equality, human rights-based approaches, and environmental protection is also recognised. The UNDP's strategic focus on thematic priorities is ranked highly by donors. It is especially strong in the area of good governance, according to donors, while partners rate it most strongly on its focus on gender equality. It also receives high ratings from respondents for human rights-based approaches and environmental protection. The UNDP does less well, although still adequately, in strategically integrating conflict management.

In terms of its corporate focus on results, donors express some concerns about UNDP's capacity to ensure the application of results-based management across the organisation and about linkages between its strategy and a clear organisational mandate. From the point of view of MOPAN members at headquarters, the UNDP can still improve in the application of RBM across the organisation. It also needs to ensure that the organisation's strategy is based on a clear and focused mandate. The quality of the UNDP's management and development results frameworks is rated as adequate.

The overall strategy is clear, in the Strategic Plan 5. However field offices work rather independent and 'pick up' many activities that are not the core mandate of UNDP 5. The first of the four main priorities, i.e., poverty reduction, also gives room for a broad interpretation. (Donor at headquarters)

Donor respondents also express some reservations about the institutional culture for supporting a focus on results. According to donors, the UNDP is rated inadequately for the extent to which its institutional culture reinforces a focus on results. Direct partners, on the other hand, give a rating of strong on this criterion. The UNDP is recognised for maintaining a direct partner focus, oriented towards its national government partners.

UNDP's Operational Management:

- ~ High ratings:
Delegating decision making to the country level
- ~ Mixed ratings:
Financial accountability, human resource management, aid allocation decisions

Operational Management

The UNDP is viewed as doing reasonably well in managing its operations.

The UNDP's greatest perceived strength overall is its delegation of decision making to the country level. Donors based in-country give their highest rating for this key performance area, out of the 18 indicators assessed. The UNDP's country offices are perceived to be strong in their ability to manage locally and to propose funding for new areas of cooperation within an established budget cap.

At the country level, the UNDP is recognised for its performance-oriented programming practices. Donors at headquarters perceive a limitation in this area. The UNDP is rated strongly by partners and adequately by donors at the country level for establishing targets that enable monitoring of project implementation. Donors at headquarters, however, see the lack of impact analysis prior to approving new initiatives as a limitation in the UNDP's programming process.

On the use of performance information, UNDP's practices are rated as adequate overall. Donors, however, express some doubts about its use of such information to inform certain programming decisions. Its performance is considered adequate for its use of project/country information to revise corporate policies and to plan new areas of cooperation. Donor respondents at the country level indicate that the UNDP performs inadequately in actively managing less effective activities from the previous programming cycle. There are also some concern and lack of knowledge about whether the UNDP tracks the implementation of evaluation recommendations presented to the Executive Board.

The UNDP is seen to allocate its core budget resources according to established criteria, but it can improve in the way it publishes those criteria. UNDP's overall performance in its aid allocation decisions is rated adequate, yet this varies according to respondent group. It is rated adequate by donors at headquarters and national partners, and rated inadequate by donors at the country level. The greatest divergence of perspectives is on the extent to which the UNDP makes publicly available its criteria for allocating core budget resources.

There is a mixed picture of the UNDP's performance on financial accountability issues. It is seen to perform strongly in terms of its audit practices, but is viewed as only adequate for its timely management of irregularities when they are identified at the country level.

We have experienced only one instance where UNDP was committed to investigate about the potential irregularities under a program but it has taken a long time and action was limited. This is an area where UNDP should focus more particularly where joint donor funding is involved.+(Donor at country level)

UNDP is considered to be adequate in the area of human resource management. Donors at headquarters indicate that UNDP is adequate in transparently recruiting and promoting staff based upon merit. At the country level, respondents were asked to assess the effects of the speed of rotation of international staff in UNDP country offices. Both donors and partners indicate that the UNDP's practice is at least adequate in this area, keeping staff in their posts for enough time to develop effective partnerships.

UNDP's Relationship Management

- ~ High ratings: Contributions to policy dialogue
- ~ Low ratings: Use of country systems
- ~ Mixed ratings: Harmonisation with other aid actors, viewed as a strength by partners and as an area of weakness by donors

Relationship Management

Respondents suggest that the UNDP's relationship management requires improvement in several areas.

The UNDP is viewed positively for its contributions to policy dialogue and the alignment of its programming with national plans and priorities. In policy dialogue, it is rated strongly both for its technical inputs and respectful approach to the dialogue process. However, some respondents note that the organisation may in some cases be too close to, and not critical enough of, its government partners. The UNDP is generally seen to be supportive of national plans and its government partners' priorities for funding.

Proposals are often developed in cooperation with national government. However I would like to see this further enhanced. There are stories of proposals that have been developed by UNDP and then presented to the government and/or donors without proper prior consultations.+(Partner)

But it is not meeting donor expectations with regard to the harmonisation of its procedures with other aid actors. Donors at the country level view this as an area where the UNDP could do better, whereas for partners, harmonisation is an area of strength. In particular, donors give a low rating to UNDP for its limited participation in program-based approaches (PBAs).

UNDP is also perceived by donors to perform inadequately in areas related to its capacity to adjust procedures according to local conditions. Donors express particular concerns about the UNDP's ability to adjust its portfolio in light of changing circumstances and to adjust individual projects/programs as learning occurs. They also give inadequate ratings on the length of time it takes to complete procedures and on the UNDP's use of procedures that can be easily understood and followed by direct partners. The direct partner respondents provide an adequate rating on each of these criteria.

The UNDP's insufficient use of country systems is the main area of concern for its national partners. The UNDP is perceived to make limited use of national budget execution, financial reporting, and auditing procedures, as well as country procurement systems. Its use of project implementation units (PIUs) that run in parallel to government is also a concern. Responses on questions related to the use of country systems also suggest that respondents have limited knowledge of this area. In addition, responses to these questions may not take into account UNDP's use of country systems under the umbrella of national execution of its activities. It is also important to note that in some of the contexts in which UNDP works the use of country systems may not be feasible or appropriate.

UNDP's Knowledge Management

~ High ratings:
Monitoring external results

~ Low ratings:
Dissemination of lessons learned

Knowledge Management

The UNDP is doing adequately with regard to most of the dimensions of knowledge management

The UNDP's monitoring of external results is supported by the strength of having an independent evaluation office. Respondents indicate that the UNDP is doing a reasonable job in ensuring evaluation coverage and in involving partners and beneficiaries in their monitoring and evaluation activities.

The UNDP is reporting adequately to the Executive Board on performance, but there is room to improve its use of performance information to support greater learning from programming experience.

Despite the UNDP's incorporation of performance information in its reporting, and positive views on its monitoring of external results, donors see the identification and dissemination of lessons learned from performance information as an area for improvement.

Reporting on outcomes needs to be improved. UNDP (as is the case with other multilaterals) tends to report on outputs/activities. The 2007 Strategic Plan established a clear and focused results framework which should help to improve reporting. (Donor at country level)

Key Strengths and Areas for Improvement

Based on the findings of the MOPAN Common Approach, there are several key strengths and areas for improvement that provide a basis for discussion between MOPAN members, the UNDP and its national partners. A broader list of issues for discussion can be found in the Conclusion section of the report.

Key Strengths

The UNDP's key strengths are based on the indicators that are rated as strong by more than one respondent group or have received a rating of strong overall. These include:

- Focus on thematic priorities: UNDP's focus on thematic priorities is rated strongly by its partners. Its strategic focus on good governance is a key strength according to both country level respondents and headquarter-based donors. At the country level, its focus on gender equality and human rights-based approaches to development is rated strongly by MOPAN members and partners.
- Contributing to policy dialogue: is seen to be a key strength by MOPAN members at headquarters and partners.
- Delegating decision making: Managing project tasks at country level is seen as a key strength by country donors. Partners rate all aspects of delegating decision making strongly.
- Allocating core budget according to published criteria: is seen to be a key strength by HQ donors. Partners also rate this micro-indicator strongly.
- Audit practices: Corporate and internal audit practices are a key UNDP strength according to MOPAN members at headquarters. Its national partners provide a strong rating for its project audit requirements.

Key areas for improvement

The key areas for improvement for the UNDP are drawn from those indicators rated as inadequate by more than one respondent group or where they have received an overall rating of inadequate:

- Using country systems: Country donors in particular indicate a need for the UNDP to improve its use of government systems. Partners also indicate a need to reduce the use of PIUs and to increase the use of national financial reporting procedures.
- Institutional culture that reinforces a focus on results: MOPAN members at headquarters see this as a gap. Country donors also rate this micro-indicator as inadequate.
- Disseminating lessons learned: MOPAN members at headquarters indicate a need for better identification and dissemination of lessons learned from performance information.

Conclusion

The UNDP continues to be recognised for the role that it plays in development aid architecture at the country level: Respondents note its role in coordinating government and other UN agencies as one of its organisational strengths. In this year's assessment, this perception is also reflected in the importance given to the UNDP's decentralised decision making and its contributions to policy dialogues. Respondents also confirm several factors that have posed challenges to the UNDP over the years: the breadth of its mandate, on the one hand, and perceptions of a high level of bureaucracy in the organisation. This assessment also finds that the UNDP can do better in many aspects of its relationship management at the country level.

Respondents to this year's survey note the UNDP's global presence and operational experience in development practice, yet their assessment reflects a need for the UNDP to better disseminate lessons learned from this experience.

In recent years, the UNDP has engaged in significant organisational efforts to bring a higher level of coherence, focus, accountability, and transparency to all of its processes. The findings of the MOPAN Common Approach provide some evidence of how it is perceived to be progressing in these areas.

The following key strengths and areas for improvement provide a basis for discussion between MOPAN members, the UNDP and its national partners.

Strengths:

The UNDP's key strengths are based on the indicators that are rated as 'strong' by more than one respondent group or that received a rating of 'strong' overall. These include:

- Focus on thematic priorities: UNDP's focus on thematic priorities is rated strongly by its partners. Its strategic focus on good governance is a key strength, according to both country level respondents and headquarter-based donors. At the country level, its focus on human rights-based approaches to development is also rated strongly by MOPAN members and partners.
- Contributing to policy dialogue: is seen to be a key strength by MOPAN members at headquarters and partners.
- Delegating decision making: Managing project tasks at country level is seen as a key strength by country donors. Partners rate all aspects of delegating decision making strongly.
- Allocating core budget according to published criteria: is seen to be a key strength by HQ donors. Partners also rate this micro-indicator strongly.
- Audit practices: Corporate and internal audit practices are a key UNDP strength according to MOPAN members at headquarters. Its national partners provide a strong rating to its project audit requirements.

The table below reflects those key performance indicators, or micro-indicators, that receive the highest ratings (strong or better) from each of the respondent groups.⁶

⁶ Please see Appendix III in order to see all of the items that might have been rated as strong by any of the respondent groups.

Figure 0.1 UNDP's Greatest Strengths, by Respondent Group *

MOPAN members at country level	MOPAN members at headquarters	UNDP partners
<ul style="list-style-type: none"> Has a significant strategic focus on good governance. (Focus on thematic priorities) Project/program tasks are managed at a country level. (Delegating decision making) Has a significant strategic focus on human rights-based approaches to development. (Focus on thematic priorities) 	<ul style="list-style-type: none"> Contributing to policy dialogue Has a significant strategic focus on good governance. (Focus on thematic priorities) Has an independent evaluation unit that reports directly to the Board or Governing Council. (Monitoring external results) Allocates core budget according to published criteria (Aid allocation decisions) Performs corporate audits according to international standards. (Financial accountability) 	<ul style="list-style-type: none"> Performance-oriented programming Contributing to policy dialogue Supporting national plans Harmonising procedures Country focus on results

*Only KPIs or Micro-Indicators which are rated as %strong+are listed. Only the five highest rated items are listed.

Areas for Improvement:

The key areas for improvement for the UNDP are based on indicators that are rated as %adequate+by more than one respondent group or that received an overall rating of %adequate+.

- Using country systems: Country donors in particular indicate a need for the UNDP to improve its use of government systems. Partners also indicate a need to reduce the use of PIUs and to increase the use of national financial reporting procedures.
- Institutional culture that reinforces a focus on results: MOPAN members at headquarters see this as a gap. Country donors also rate this micro-indicator as inadequate.
- Disseminating lessons learned: MOPAN members at headquarters indicate a need for better identification and dissemination of lessons learned from performance information.

Figure 0.2 UNDP Areas for Improvement, by Respondent Group *

MOPAN members at country level	MOPAN members at headquarters	UNDP partners
<ul style="list-style-type: none"> Using country systems Adjusting procedures Aid allocation decisions Harmonising procedures Using performance information 	<ul style="list-style-type: none"> Performance-oriented programming Disseminating lessons learned Institutional culture reinforces a focus on results. (Providing direction for results) 	<ul style="list-style-type: none"> Uses project implementation units that operate in parallel to the government. (Using country systems) Uses national financial reporting procedures in its projects/programs. (Using country systems)

*Only KPIs or Micro-Indicators which are rated as %adequate+are listed. Only the five lowest rated items are listed.